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S E C R E T SECTION 01 OF 02 BAGHDAD 000057

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SUBJECT: MCNS FOCUSES ON IRAQI MINISTRY OF INTERIOR

Classified By: Ambassador Ryan Crocker for reason 1.4(b) and 1.4(d)

11. (S) SUMMARY: At the Ministerial Council on National Security (MCNS) on January 6, Prime Minister Maliki and security ministers set aside most of the prepared agenda and focused on two issues raised by MinInt Bolani--apprehension about foreign ownership of Iraqi communications companies and dissatisfaction with security contracts at the Baghdad International Airport (BIAP). The ministers also discussed problems with MOI budget execution. Briefers from the Multinational Force in Iraq (MNF-I) concluded with a positive economic assessment of a new scrap metal collection and reprocessing program, and convinced the ministers to press for full funding. END SUMMARY.

Foreign Ownership Issues

12. (S) In a lackluster MCNS, Prime Minister Maliki and his security ministers set aside most of the agenda prepared by National Security Advisor (NSA) Rubaie and turned their attention to MinInt Bolani's issues and programs, which he tabled without prior coordination. Bolani lamented recent acquisitions of Iraqi mobile phone companies by foreign investors. He cited as problematic the Kuwaiti government and its investors, who now own 62 percent of Iraq's largest mobile phone provider. He urged Maliki to meet with the new owners and advise them of their security responsibilities to the GOI. When pressed by Salih and Rubaie to be more precise, Bolani described a raid by Iraqi Security Forces (ISF) on a private security contractor hired by one of these newly purchased communications companies. Bolani pointed out that the detained security guards possessed illegal weapons and cited this as a serious cause for concern. Salih and Rubaie expressed skepticism, with Rubaie adding that the government must guarantee the rights of investors for the economy to grow. Despite Bolani's disjointed and unconvincing presentation, Maliki asked the ministers to set up a meeting with Atheer Telecom to discuss these security issues. (NOTE: Bolani is presumably concerned either about the loss of governmental control over communications or access to sensitive information from these foreign-owned companies. END NOTE.)

BIAP Security

15. (S) Realizing the foreign ownership issue had no traction, Bolani launched into his second major point about MOI dissatisfaction with the security contract at BIAP. He noted that the Global Security Company had exclusive rights regarding security at the airport but did not yet possess a valid license or permission from the GOI to operate there. He pointed out that their contract was up for renewal and he

expressed concern that there was no alternative. Bolani added that it was time for the ISF to gain experience at securing airports.

¶16. (S) General Petraeus countered that Coalition Forces have worked diligently at cleaning up a very weak security environment at BIAP, freed it from its Jaysh al-Mahdi (JAM) stranglehold, and subsequently engaged Global to ensure the security environment met international airport standards. He offered to work with the GOI on developing their own security plan but noted that without an internationally recognized security company at BIAP, the airport risked losing its certification for international air traffic. General Petraeus suggested that if the MOI wanted to train its forces on port security, they should consider initiating it somewhere else, like Basrah or Umm Qasr.

¶17. (S) DPM Salih expressed his strong support for renewal of the contract with Global Security to prevent disruption of international air traffic at BIAP while the GOI studied the issue further. Both the Prime Minister and IntMin Bolani--albeit reluctantly--concurred.

MOI Budget Execution

¶18. (S) Bolani then shifted the discussion to his budget woes, reporting that lack of a quorum in the Council of Representatives (CoR) prevented approval for an end-of-year rollover of MOI funding (NOTE: the MOI had a dismal FY2007 budget execution--among the worst of all ministries--leaving most funding for equipping MOI forces untouched. END NOTE). NSA Rubaie countered that inadequate budget controls and

BAGHDAD 00000057 002 OF 002

execution threatened national security, especially in light of the GOI stated goal of self-sufficiency by FY2009. He announced that both the MOD and MOI would now brief the MCNS each month on their budget execution. Clearly upset with Rubaie's interference, Bolani shot back that monthly briefings were unnecessary; he countered with an offer to brief quarterly. Rubaie, saying he "only wanted to help", stood firm on the monthly requirement. Since Maliki had earlier left the MCNS for another appointment, DPM Salih did not press the issue but closed the discussion by offering to meet with CoR members on the rollover proposal. He noted that even though the GOI had better budget execution this year than last, there were a large number of issues and discrepancies to solve. (NOTE: On January 8, MinInt Bolani called embassy POLOFF to report that the CoR had approved the MOI request to roll-over FY2007 allocations into FY2008, END NOTE).

Scrap Metal Initiatives

¶19. (U) In October 2007, the MCNS agreed to devote \$75 million to the Minister of Industry and Minerals (MinInd) to begin a scrap collection and smelting program. MNF-I briefers followed up at this meeting with an interim report in which they assessed the economic potential of this effort at over \$16 billion. The ministers--clearly surprised by this large figure--agreed to press for full funding of the program. They also called on the Ministry of Industry to return to the MCNS with a comprehensive plan for the rehabilitation of smelting plants.

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